Viewpoints '98

Regional Analysis of Results

March 1999

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The Canadian Labour Market and Productivity Centre (CLMPC) is an independent national labour-business organization whose mission is to contribute to economic growth and the betterment of society by improving business-labour relations in Canada and by providing joint advice on public policy, particularly related to labour market and productivity issues.

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INTRODUCTION

In March and April 1998, the Canadian Labour Market and Productivity Centre (CLMPC) surveyed Canadian business, labour, and public sector leaders to explore their views on major economic issues and potential solutions, alternative work arrangements, demographic issues, and the current state of labour/management relations in Canada. This survey repeated a similar one conducted in early 1996. It provides a point-in-time snapshot of constituency leaders' current perceptions of these issues and a comparison to leaders' perceptions on these issues two years earlier, shedding valuable light on how these perceptions have evolved over this period.

The focus is on respondents' *perceptions* of particular issues. A sense of the different perceptions among constituencies, and of how they are changing, will help in the interpretation of how they might strongly influence attitudes and actions. The basis and accuracy of perceptions will be the platform for further dialogue.

This report discusses respondents' views on serious issues facing the economy and potential solutions to those issues, as well as their perceptions on various questions related to labour/management relations. A more detailed discussion of the overall survey as well as the survey methodology and a copy of the survey questionnare are found in the document "Viewpoints '98: A Survey of Canadian Business, Labour and Public Sector Leaders" originally released in June 1998.

In providing a regional breakdown of the data, we used four regional groupings, i.e. Atlantic, Quebec, Ontario and West. In addition, we have separately presented data for respondents whose organization spanned two or more regions. These will likely include larger businesses, and larger national unions which represent workers in more than one region.

In examining the results presented below, we must stress that when divided by region, the sample size in individual regions becomes quite small. This requires that the data be viewed as indicative of potential differences which would warrant more in-depth study and that any conclusions be drawn with great caution.

The key results of the regional analysis are described below. Because of the small numbers involved in some cells, the analysis is restricted to a comparison of responses from Private Sector Business and Private Sector Labour.

Serious Issues Facing the Economy (Figures 1, 2, 3)

Respondents were asked to rate the seriousness of a number of national-level issues facing the economy.

From a regional viewpoint, the most striking finding is that both business and labour leaders in Quebec view many economic and human resources issues with much higher levels of concern than do their counterparts in other regions. At the same time, respondents from the Atlantic or West regions tend to be at the other extreme from their Quebec counterparts, often viewing these issues with significantly less concern.

Figure 1 shows some illustrative examples of how these conclusions are reflected in regional differences in attitudes to economic issues such as Government Regulation, International Competitiveness, Productivity Performance, Lack of Innovation, Inadequate Investment, and High Interest Rates.

Figure 2 illustrates these conclusions in terms of human resources issues such as Quality of Education, Quality of Workplace Training, and Labour-Management Relations.

The data also show the effects of regional labour market and capital market differences. In the higher-unemployment East, lack of jobs is viewed as more serious, and skill shortages as less serious, than in the lower-unemployment West.

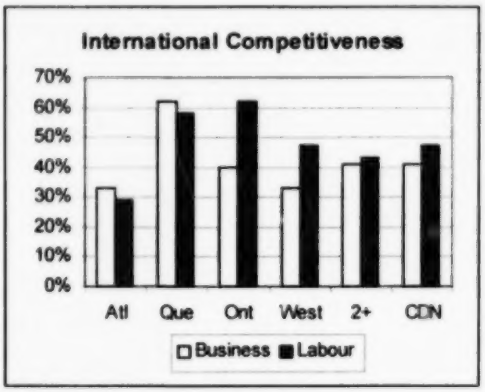
At the same time, concerns among Atlantic labour leaders regarding a lack of capital for small business likely reflect the region's relatively underdeveloped venture capital markets.

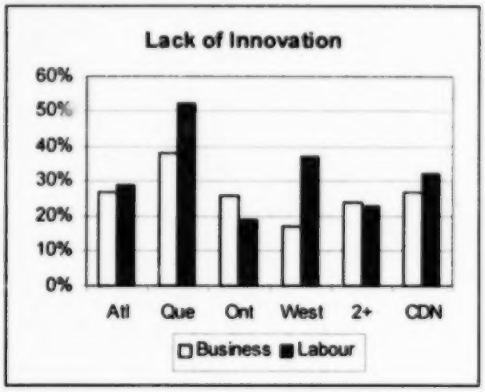
Figure 3 illustrates these findings regarding Lack of Jobs, Skill Shortages, and Lack of Capital for Small Business.

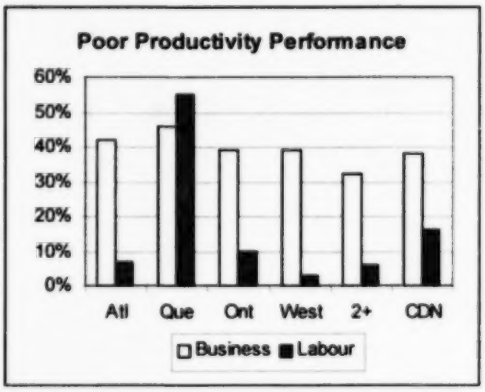
FIGURE#1

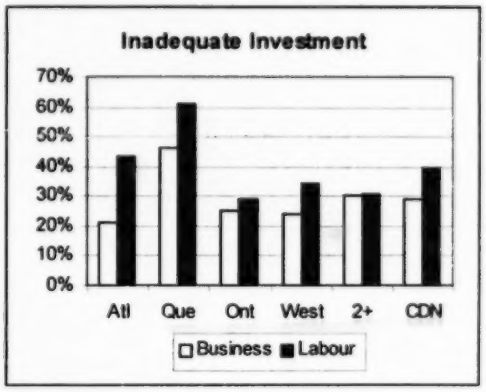
In your view, how serious are the following issues facing the economy?
(percentage reporting issue as very serious)

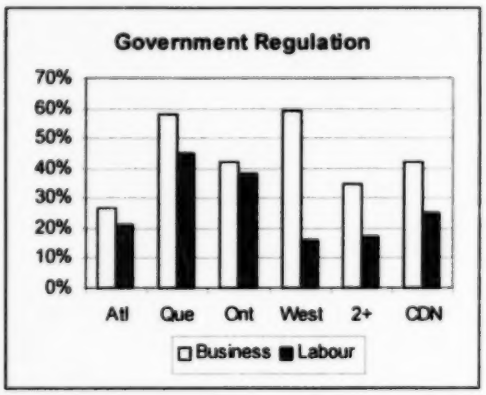
Selected Economic Issues











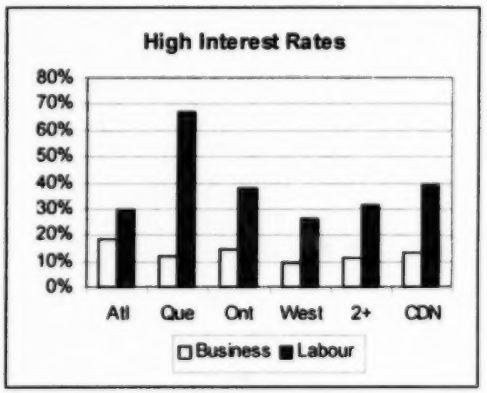
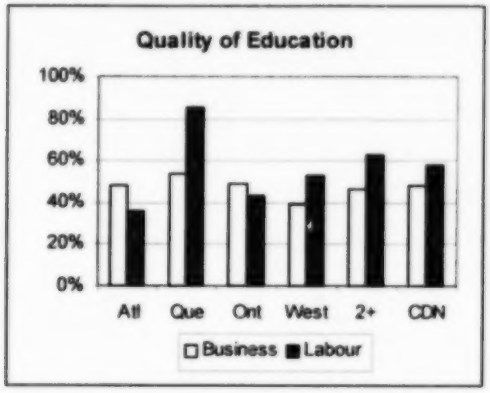
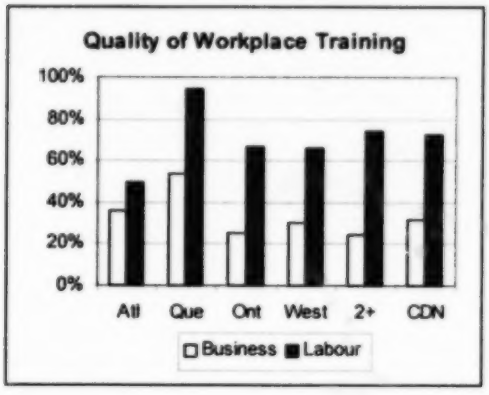


FIGURE #2
In your view, how serious are the following issues facing the economy?
(percentage reporting issue as very serious)

Human Resources Issues





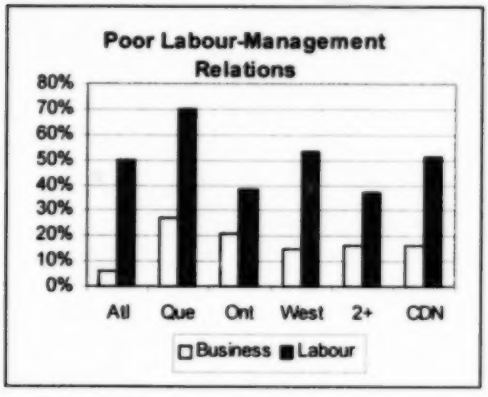
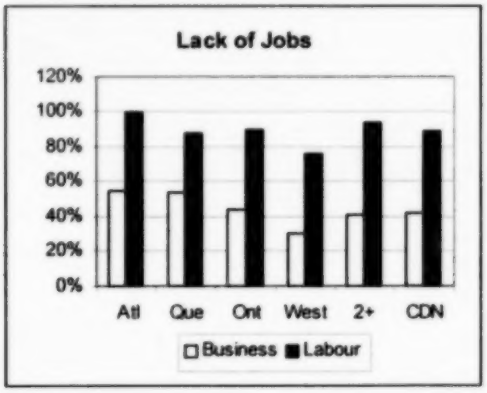
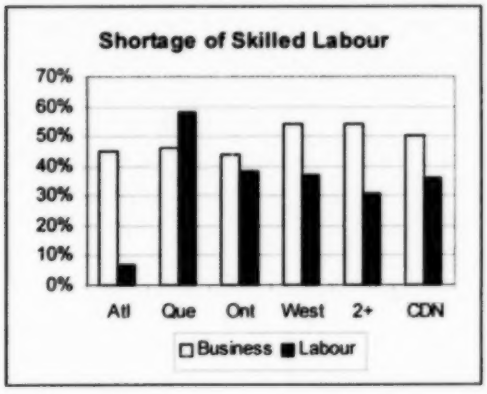
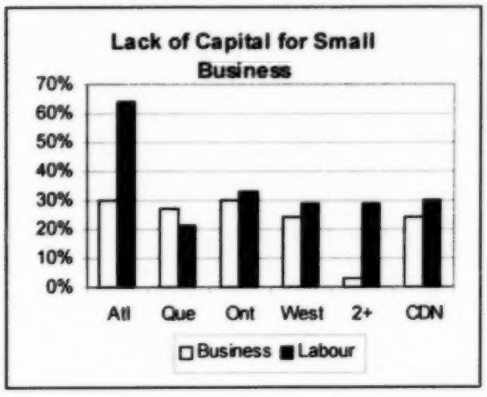


FIGURE #3
In your view, how serious are the following issues facing the economy?
(percentage reporting issue as very serious)

Labour and Capital Market Issues







Priority of Potential Solutions (Figure 4)

Respondents were asked their views on whether particular policy solutions needed less emphasis, the same emphasis, or more emphasis.

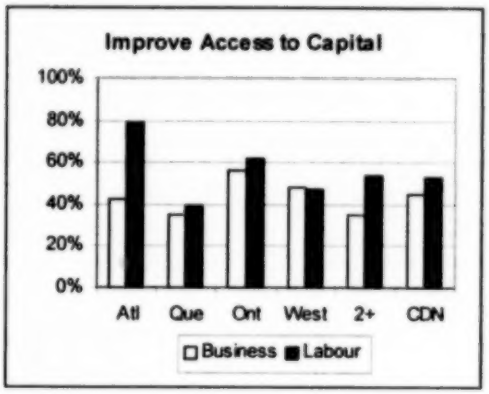
The variety of business and labour responses to this question makes generalizations very difficult. Some of the regional preferences, however, are as follows:

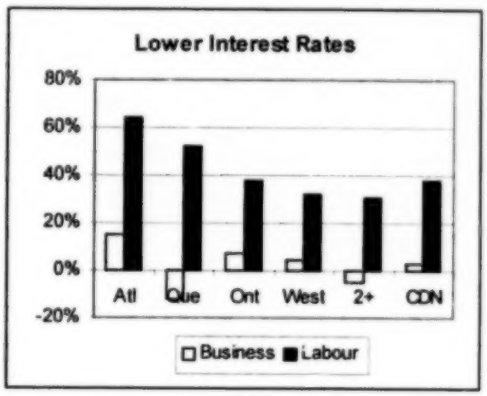
- Atlantic respondents, especially labour, gave relatively high priority to approaches which assist business development, including improving access to capital for small business and lowering interest rates;
- Quebec respondents were relatively strong in their support for several economic solutions, including reducing government spending, lowering taxes;
- Ontario respondents were among the main supporters of improving education and reducing regulations;
- Western respondents, especially labour, gave relatively strong support for human resources and social solutions, including improving workplace training and improving labour-management relations.

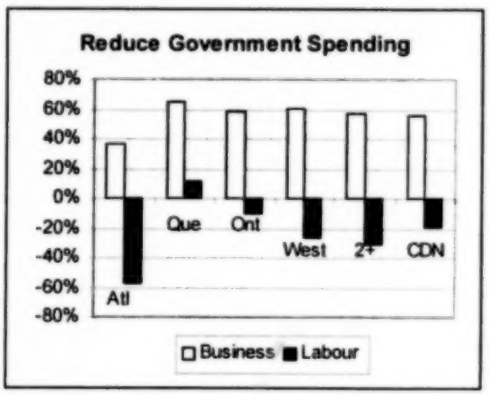
Figure 4 presents selected key findings. Note that in each of the charts, the proportions of respondents indicating that a solution required *less* emphasis are subtracted from the proportions feeling that the solution required *more* emphasis. The result provides a *net view* of the priority respondents attached to a particular solution. Positive numbers indicate a perceived need for more emphasis; negative numbers a perceived need for less emphasis.

FIGURE #4
What emphasis should be given to potential solutions?
(% seeking more emphasis minus % seeking less emphasis)

Selected Potential Solutions







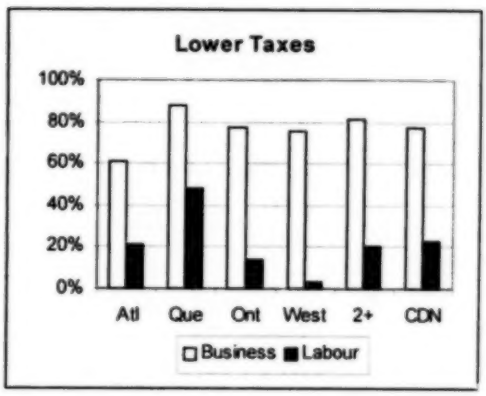
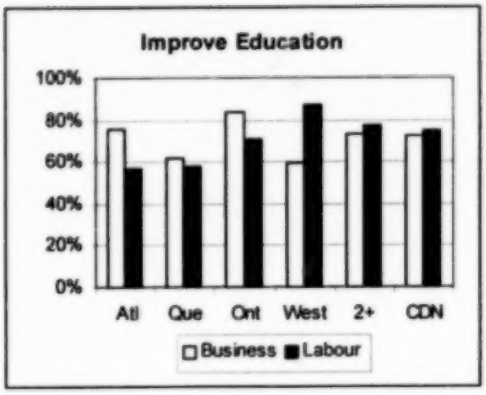
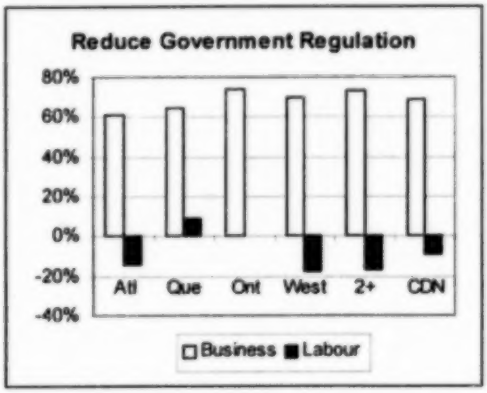
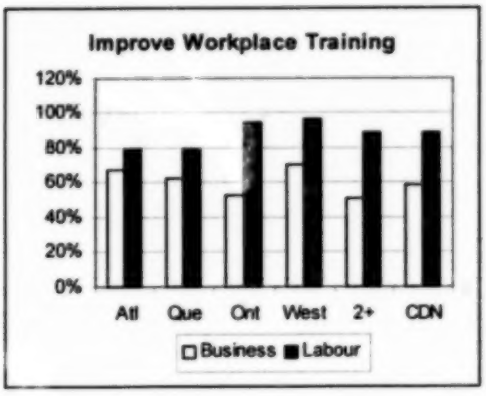


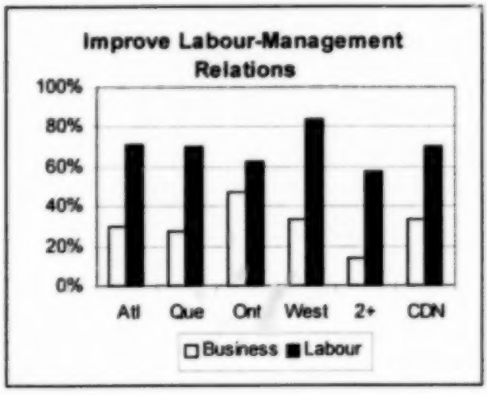
FIGURE #4 — (cont'd)
What emphasis should be given to potential solutions?
(% seeking more emphasis minus % seeking less emphasis)

Selected Potential Solutions









The Current State of Labour-Management Relations (Figure 5)

Respondents were asked their views on the current state of labour-management relations, at the level of the economy as a whole, at the industry level, and at the level of the organization. Responses ranged from 'very good' to 'very poor'. In each chart in Figure 5, the proportion of respondents responding 'poor' or 'very poor' has been subtracted from the proportion of respondents responding 'good' or 'very good' to give a *net score*. Positive values indicate a majority of 'good' assessments; negative values indicate a preponderance of 'poor' assessments.

Labour respondents are consistently more negative than business respondents, at all levels.

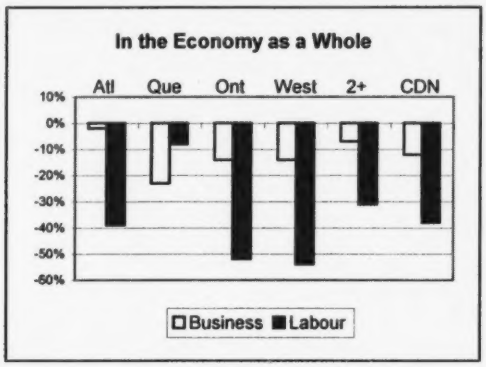
However, the charts show, further, that at all levels:

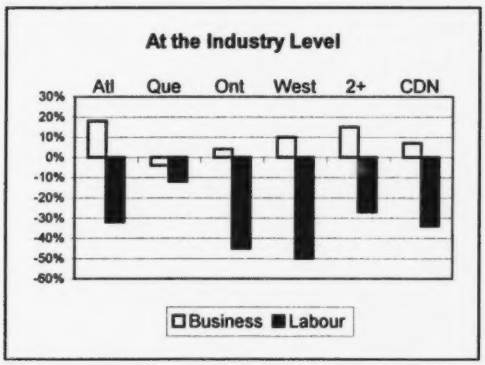
- Among business respondents, Quebec business views on labour-management relations are consistently the *most negative* among all regions, while Atlantic business views were the *most positive*, and
- Among labour respondents, Quebec labour views on labour-management relations are consistently the *most positive* among all regions, while labour leaders in the West and Ontario were usually the *most negative*.

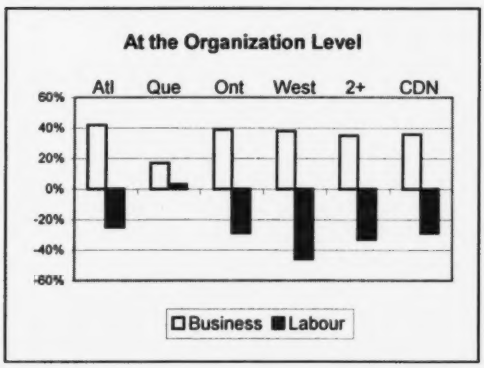
The Quebec business and labour views of the state of labour-management relations are significantly closer to one another than in any other region, suggesting a shared understanding and a sense of what the state of the relationship actually is.

This contrasts starkly to the situation elsewhere. In the West, for example, the gaps between business and labour perceptions are very much wider at the economy, industry and organization levels, respectively. Clearly, there are significantly different views among business and labour in individual regions which may be barometers of those regions' labour-management relationships.

FIGURE #5
What is the current state of labour-management relations
(% reporting 'good' or 'very good', minus % reporting 'poor' or 'very poor')







How Labour-Management Relationships Affect Selected Aspects of Workplace Performance (Figure 6)

Respondents were asked their views on how labour-management relations affected various aspects of workplace performance. Responses ranged from 'very positive ' to 'very negative'. Responses are grouped in Figure 6 into selected Productivity-Related Aspects of Performance and selected Security-Related Aspects of Performance.

In each chart in Figures 6 and 7, the proportion of respondents responding 'somewhat negative' or 'very negative' has been subtracted from the proportion of respondents responding 'somewhat positive' or 'very positive' to give a *net score*. Positive values indicate an overall sense that labour-management relations constructively affect performance; negative values suggest that labour-management relations may be an impediment to performance.

Labour views are consistently more negative than those of business.

Regional variations in responses to this question, not surprisingly, reflect the differences identified in the preceding question. Thus, in general, respondents such as Atlantic business, who feel that labour-management relations are relatively good, tend to identify their impacts on workplace performance as relatively positive.

In terms of the selected productivity- and security-related aspects of performance, regional variations of perspective on the employer side are not large. Where such variations occurred, Atlantic employers tend to be among the most positive, Quebec employers among the most negative.

On the labour side, Quebec respondents are uniformly the least negative in their judgements on the impacts of labour-management relations on both productivity- and security-related aspects of performance. Respondents from the Atlantic and West again tend to be the most negative.

As with the preceding question, the gap in perspective between Quebec business and labour leaders is significantly less, as a rule, than that between business and labour leaders in other regions. This more consistent shared outlook may in turn be affected by the nature of business/labour relations in Quebec, which are often marked by relatively high levels of communication and mutual respect.

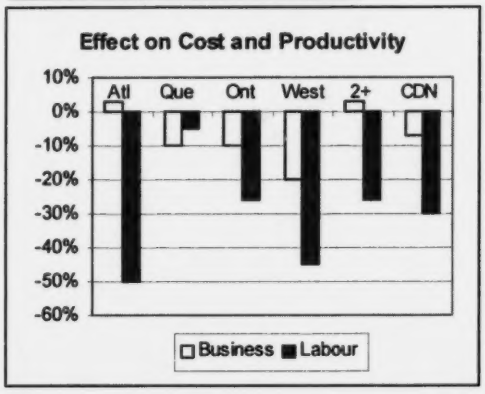
The broad differences of view between business and labour in the Atlantic and West regions, however, may suggest a need for efforts at stronger communication between the parties in these regions.

FIGURE #6

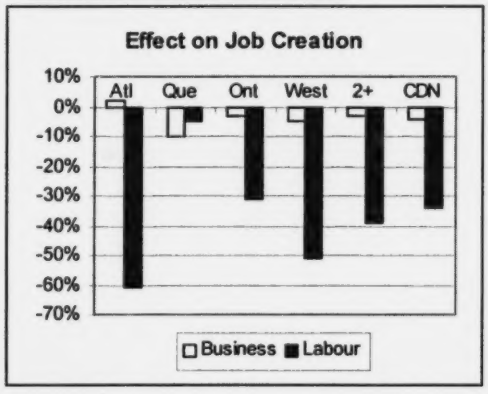
What has been the overall effect of the current labour-management relations in your industry?

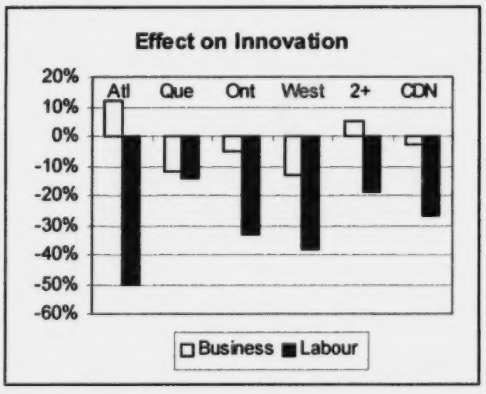
(% reporting 'somewhat positive' or 'very positive' minus % reporting 'somewhat negative' or 'very negative')

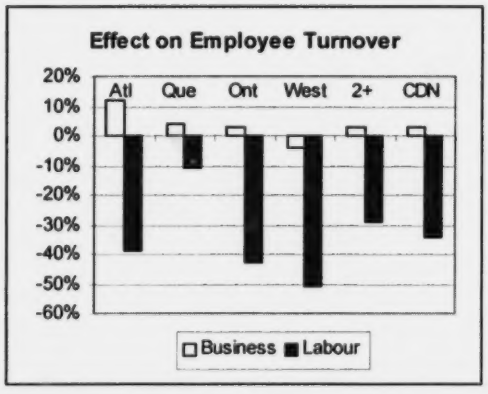
Selected Productivity-Related Aspects

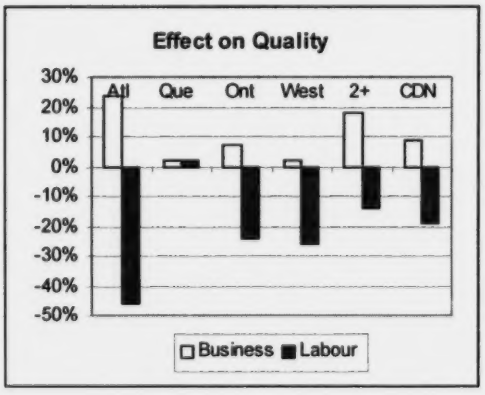


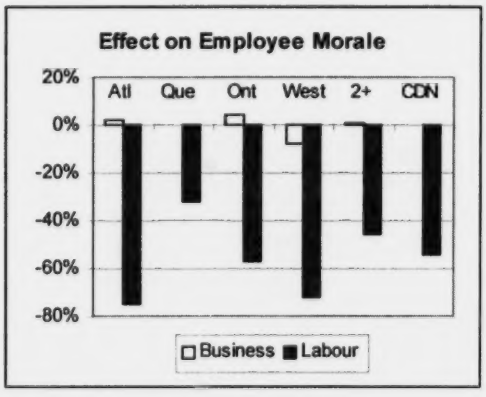
Selected Security-Related Aspects











How Labour-Management Relationships Have Evolved in the Last Two Years, and How They are Expected to Change over the Next Two (Figure 7)

Respondents were asked their views on how labour-management relations had evolved over the past two years, and how they were expected to change over the next two years, at the level of the economy as a whole, the industry, and the organization. Responses to both questions ranged from 'much better' to 'much worse'. In each chart in Figure 7, the proportion of respondents responding 'worse' or 'much worse' has been subtracted from the proportion of respondents responding 'better' or 'much better' to give a *net score*. Positive values indicate an overall sense of improvement; negative values indicate an overall sense of worsening.

The responses to these two questions are discussed together because of the consistency of respondents' views in each.

As with the preceding question, labour responses are consistently more negative than those from business.

The last two years

Among business respondents, there are few large regional differences in perceptions of the change in labour-management relations over the past two years. Those from the Atlantic region express somewhat more positive views on the changes, particularly at the economy-wide and industry level. Employers with locations in several regions are the most negative about economy-wide level changes.

On the labour side, Quebec respondents are consistently the least negative in their view of the evolving labour-management relations, at all three levels. Respondents from the Atlantic and West are consistently the most negative.

The next two years

Respondents' views of the future evolution of labour-management relations often mirror their perspective on how these have changed over the preceding two years.

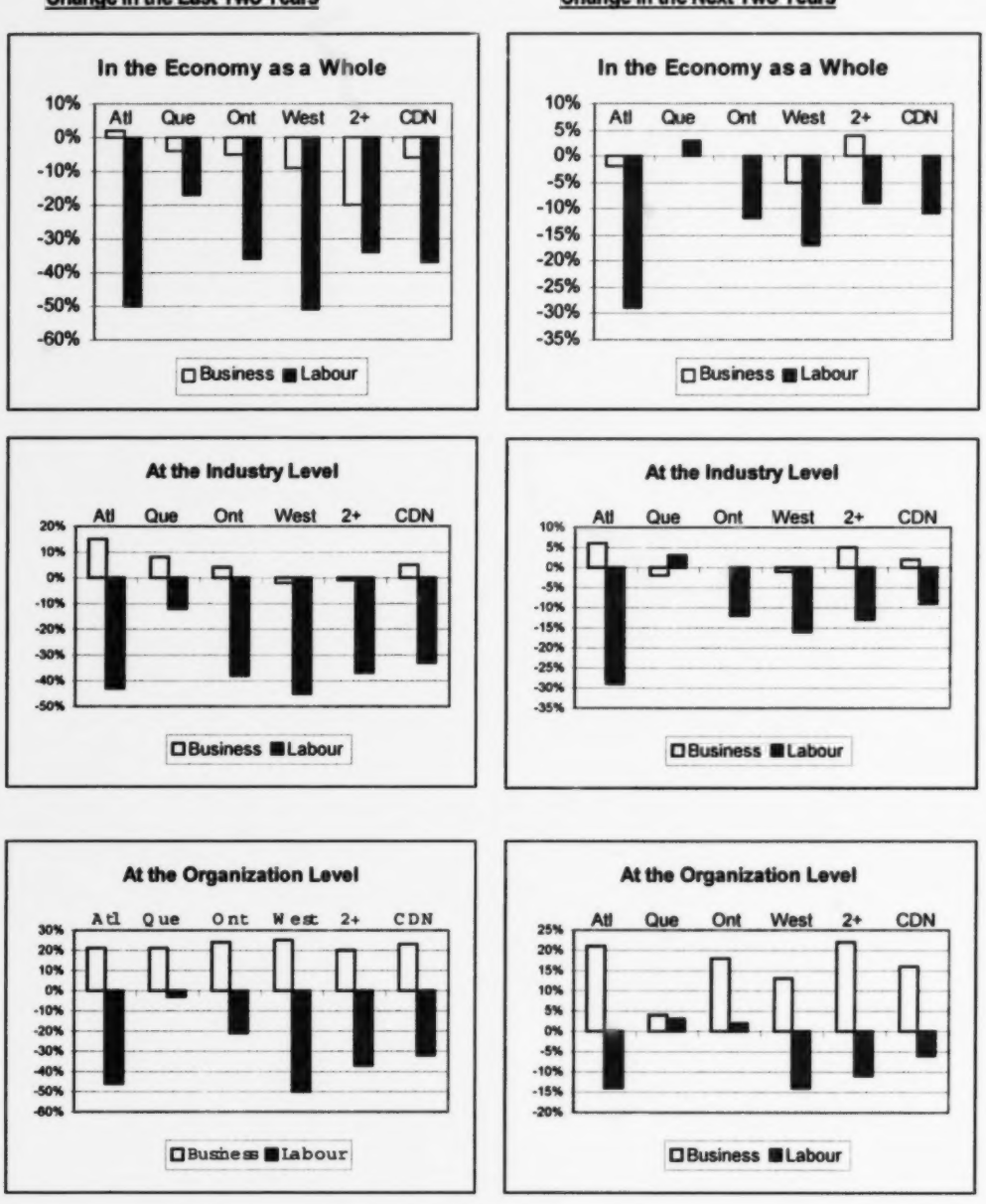
Among business respondents, those from the Atlantic region and those located in several regions are generally the most optimistic for improvements in the next two years, especially at the industry level. For the latter group, this reflects something of a reversal from the last two years.

On the labour side, regional variations in future-oriented views are similar to those focussed on the past. Thus, Quebec respondents on balance are optimistic about future labour-management relationships, in contrast to those from other regions, especially the Atlantic and West, who are, on balance, pessimistic.

These broad findings reinforce the sense, described earlier, that in the Atlantic and West regions, labour and business perspectives on the same issue are very different, contrasting sharply to those in Quebec.

FIGURE #7

How have labour-management relations changed over the last 2 years?
How will labour-management relations change over the next 2 years?
(% 'better' or 'much better' minus % 'worse' or 'much worse')


Change in the Last Two Years
Change in the Next Two Years
In the Economy as a Whole
Atl Que Ont West 2+ CDN
10% 0% -10% -20% -30% -40% -50% -60%
Business Labour
In the Economy as a Whole
Atl Que Ont West 2+ CDN
10% 5% 0% -5% -10% -15% -20% -25% -30% -35%
Business Labour
At the Industry Level
Atl Que Ont West 2+ CDN
20% 10% 0% -10% -20% -30% -40% -50%
Business Labour
At the Industry Level
Atl Que Ont West 2+ CDN
10% 5% 0% -5% -10% -15% -20% -25% -30% -35%
Business Labour
At the Organization Level
Atl Que Ont West 2+ CDN
30% 20% 10% 0% -10% -20% -30% -40% -50% -60%
Business Labour
At the Organization Level
Atl Que Ont West 2+ CDN
25% 20% 15% 10% 5% 0% -5% -10% -15% -20%
Business Labour

CONCLUSION

The leadership survey suggests that there are differences – perhaps significant ones – in business and labour attitudes in different regions. The findings are not intended to provide definitive conclusions about regional differences in attitudes to various economic and labour market issues. As noted, the numbers are small, and the conclusions, at best, only indicative of differences of view. Yet the data do suggest that regional differences, if better understood, could inform the actions of business, labour, and government.

This broad look at the subject suggests that there would be considerable value in exploring these regional differences more deeply.